

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Linda M. Hodgdon

March
FY 2009

Monthly Revenue Summary

	<u>FY 09</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 595.4	\$ 649.0	\$ (53.6)
Highway	\$ 20.3	\$ 21.7	\$ (1.4)
Fish & Game	\$ 0.6	\$ 0.7	\$ (0.1)

Current Month Analysis

General & Education Funds	<i>FY09 Actuals</i>	<i>FY09 Adj. Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 54.9	\$ 70.8	\$ (15.9)
Business Enterprise Tax	24.4	45.0	(20.6)
Subtotal	79.3	115.8	(36.5)
Meals & Rooms Tax	14.6	16.3	(1.7)
Tobacco Tax *	15.8	15.3	0.5
Liquor Sales and Distribution *	10.0	10.5	(0.5)
Interest & Dividends Tax	3.0	4.5	(1.5)
Insurance Tax	78.9	85.1	(6.2)
Communications Tax	5.5	6.9	(1.4)
Real Estate Transfer Tax	3.7	7.5	(3.8)
Court Fines & Fees	2.2	3.0	(0.8)
Securities Revenue	1.8	2.4	(0.6)
Utility Tax	0.6	0.6	-
Board & Care Revenue	1.9	1.5	0.4
Beer Tax	0.7	0.8	(0.1)
Racing Revenue	0.2	0.2	-
Other	6.3	6.9	(0.6)
Transfers from Lottery	4.5	7.3	(2.8)
Transfers from Pari-Mutuel	0.1	0.1	-
Tobacco Settlement	-	-	-
Utility Property Tax	0.2	-	0.2
State Property Tax	363.7	363.0	0.7
Subtotal	593.0	647.7	(54.7)
Net Medicaid Enhancement Rev	0.1	0.1	(0.0)
Recoveries	2.3	1.2	1.1
Total	\$ 595.4	\$ 649.0	\$ (53.6)

* The FY 2009 Plan has been adjusted to reflect the anticipated increases in revenue as a result of the changes in the Tobacco Tax and Liquor discounts pursuant to Chapter 296, Laws of 2008 and as detailed in the October FY 2009 Revenue Focus.

Fiscal 2008 amounts are AUDITED
All funds reported in Millions and on a Cash Basis

Unrestricted revenue from the General and Education Funds for March totaled \$595.4 million, which was below plan by \$53.6 million and below prior year by \$21.9 million. Year to date (YTD) revenue totaled \$1,675.5 million, which was below plan by \$180.7 million and below prior year by \$63.3 million.

Business taxes (BPT & BET) for March totaled \$79.3 million, which was below plan by \$36.5 million and below prior year by \$15.8 million. Calendar year corporate entities were required to file their returns and pay their tax liability from the previous year by March 15th. According to the Department of Revenue, tax revenue from both returns and extensions declined from the prior year and with declining profits, the use of tax credits is also down. In addition, the department is seeing an increase in number of returns filed with no payment included and requests for scheduled payments of tax liability due. It should also be noted that with the decline in business tax performance, the net effect of year end accrual estimates may further reduce revenue reported for fiscal 2009. On a YTD basis, revenue from business taxes totaled \$327.7 million which was below plan by \$119.6 million and below prior year by \$79.2 million. Next month, non-corporate taxpayer returns are due April 15 along with first quarter, estimated payments.

Meals and Rooms Tax collections for the month were below plan by \$1.7 million and below prior year by \$0.7 million. Year to date collections are tracking \$13.1 million (7%) below plan and \$2.4 million below prior year.

Liquor Sales for the month of March totaled \$10.0 million and were \$0.5 million below revised plan but \$1.3 million above prior year. On a year to date basis, Liquor Sales are \$6.1 million below revised plan but \$10.1 million above prior year.

Tobacco Tax collections for March totaled \$15.8 million and were above revised plan by \$0.5 million and above prior year by \$4.5 million. On a year to date basis, the Tobacco Tax is tracking slightly above the revised plan by \$0.7 million.

YTD Interest & Dividends Tax (I&D) collections through March, of \$51.7 million, are below plan by \$2.1 million but ahead of prior year by \$2.2 million. April is the next significant month for I&D collections since annual returns and first quarter estimates are due.

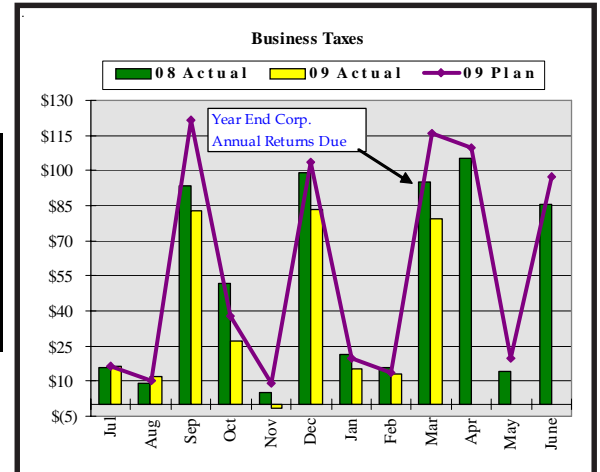
Insurance Tax revenues for March totaled \$78.9 million, which were \$6.2 million below plan and \$4.2 million below prior year. YTD revenues of \$90.9 million were \$7.7 million below plan and below prior year by \$4.5 million. Insurance companies were required to pay premium tax for the previous calendar year on or before March 15th. According to the Insurance Department, YTD revenues are tracking below both plan and prior year due to the continuation of a soft market for property & casualty. The department has seen property & casualty premiums written decline from year to year for both calendar year 2007 and 2008.

As can be seen in the table on the next page, the **Real Estate Transfer Tax (RET)** performance, as compared to plan and prior year, continues to decline at an increasing rate with the ongoing downturn in housing. The RET totaled \$3.7 million for the month, which was below plan by \$3.8 million. YTD revenue from RET totaled \$68.6 million which was also below plan by \$41.7 million (38%) and below prior year by \$21.8 million (24%).

Lottery Transfers to the Education Trust Fund were \$2.8 million below plan for March, which brings year to date transfers to \$12.6 million below plan and \$5.3 million below the prior year. According to the Lottery Commission, the ongoing weakness in revenue is due to the combination of declining ticket sales due to the challenging economy and the lack of significant jackpots.

During March, the state recognized \$363.7 million from the **Statewide Property Tax**. The final adequacy grant payment of approximately \$158.2 is due April 1st.

RET Analysis (in Millions)									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY 09	11.5	9.9	9.4	8.1	8.8	6.6	6.5	4.1	3.7
FY 08	12.9	13.2	13.5	9.6	11.4	8.6	8.7	6.7	5.8
FY 07	16.5	12.3	13.5	11.7	15.2	10.6	11.0	8.7	7.7
FY 09 Plan	15.2	14.5	14.8	12.9	13.6	11.3	11.6	8.9	7.5
Month over(under) plan	(3.7)	(4.6)	(5.4)	(4.8)	(4.8)	(4.7)	(5.1)	(4.8)	(3.8)
% Month over(under) Plan	-24%	-32%	-36%	-37%	-35%	-42%	-44%	-54%	-51%
YTD over(under) Plan	(3.7)	(8.3)	(13.7)	(18.5)	(23.3)	(28.0)	(33.1)	(37.9)	(41.7)
% YTD over(under) Plan	-24%	-28%	-31%	-32%	-33%	-34%	-35%	-37%	-38%
% YTD over(under) Prior Year	-11%	-18%	-22%	-21%	-21%	-22%	-22%	-23%	-24%



Business Tax Refund Analysis
(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY09	1.3	1.4	1.5	5.3	11.3	3.6	4.7	6.2	3.3
FY08	1.8	4.6	1.6	3.3	8.3	3.3	9.6	2.2	3.6
Mo over Mo	(0.5)	(3.2)	(0.1)	2.0	3.0	0.3	(4.9)	4.0	(0.3)
YTD Growth	(0.5)	(3.7)	(3.8)	(1.8)	1.2	1.5	(3.4)	0.6	0.3

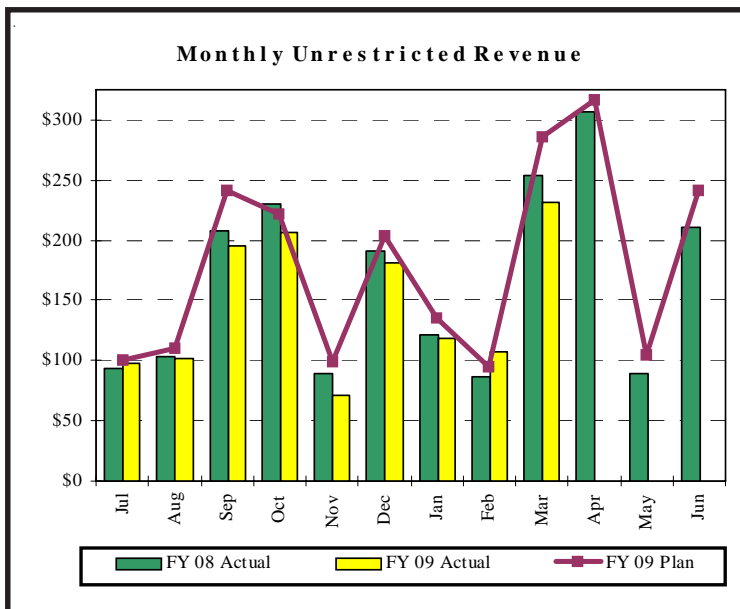
General & Education Funds Comparison to FY 08

General & Education Funds	Monthly			Year-to-Date			%
	FY09 Actuals	FY08 Actuals	Inc/(Dec)	FY09 Actuals	FY08 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 54.9	\$ 51.9	\$ 3.0	\$ 204.0	\$ 240.3	\$ (36.3)	-15.1%
Business Enterprise Tax	24.4	43.2	(18.8)	123.7	166.6	(42.9)	-25.8%
Subtotal	79.3	95.1	(15.8)	327.7	406.9	(79.2)	-19.5%
Meals & Rooms Tax	14.6	15.3	(0.7)	164.4	166.8	(2.4)	-1.4%
Tobacco Tax	15.8	11.3	4.5	145.0	126.5	18.5	14.6%
Liquor Sales and Distribution	10.0	8.7	1.3	109.8	99.7	10.1	10.1%
Interest & Dividends Tax	3.0	4.7	(1.7)	51.7	49.5	2.2	4.4%
Insurance Tax	78.9	83.1	(4.2)	90.9	95.4	(4.5)	-4.7%
Communications Tax	5.5	6.5	(1.0)	61.7	59.6	2.1	3.5%
Real Estate Transfer Tax	3.7	5.8	(2.1)	68.6	90.4	(21.8)	-24.1%
Court Fines & Fees	2.2	2.3	(0.1)	21.1	22.8	(1.7)	-7.5%
Securities Revenue	1.8	2.2	(0.4)	14.7	15.0	(0.3)	-2.0%
Utility Tax	0.6	0.6	(0.0)	4.6	4.7	(0.1)	-2.1%
Board & Care Revenue	1.9	1.6	0.3	15.3	14.6	0.7	4.8%
Beer Tax	0.7	0.9	(0.2)	9.5	9.8	(0.3)	-3.1%
Racing Revenue	0.2	0.2	-	1.6	2.2	(0.6)	-27.3%
Other	6.3	7.8	(1.5)	43.9	43.4	0.5	1.2%
Transfers from Lottery	4.5	5.3	(0.8)	45.8	51.1	(5.3)	-10.4%
Transfers from Pari-Mutuel	0.1	0.1	-	0.9	0.9	-	0.0%
Tobacco Settlement	-	-	-	3.6	-	3.6	-
Utility Property Tax	0.2	0.6	(0.4)	15.9	13.6	2.3	16.9%
State Property Tax	363.7	363.2	0.5	363.7	363.2	0.5	0.1%
Subtotal	593.0	615.3	(22.3)	1,560.4	1,636.1	(75.7)	-4.6%
Net Medicaid Enhancement Rev	0.1	0.2	(0.1)	101.1	91.3	9.8	10.7%
Recoveries	2.3	1.8	0.5	14.0	11.4	2.6	22.8%
Total	\$ 595.4	\$ 617.3	\$ (21.9)	\$ 1,675.5	\$ 1,738.8	\$ (63.3)	-3.6%

Year-to-Date Analysis

General & Education Funds	General			Education			Total		
	Actual	Adj. Plan	Actual vs. Plan	Actual	Adj. Plan	Actual vs. Plan	Actual	Adj. Plan	Actual vs. Plan
Business Profits Tax	\$ 168.0	\$ 206.0	\$ (38.0)	\$ 36.0	\$ 51.0	\$ (15.0)	\$ 204.0	\$ 257.0	\$ (53.0)
Business Enterprise Tax	41.3	47.6	(6.3)	82.4	142.7	(60.3)	123.7	190.3	(66.6)
Subtotal	209.3	253.6	(44.3)	118.4	193.7	(75.3)	327.7	447.3	(119.6)
Meals & Rooms Tax	159.4	171.2	(11.8)	5.0	6.3	(1.3)	164.4	177.5	(13.1)
Tobacco Tax *	46.6	47.0	(0.4)	98.4	97.3	1.1	145.0	144.3	0.7
Liquor Sales and Distribution *	109.8	115.9	(6.1)	-	-	-	109.8	115.9	(6.1)
Interest & Dividends Tax	51.7	53.8	(2.1)	-	-	-	51.7	53.8	(2.1)
Insurance Tax	90.9	98.6	(7.7)	-	-	-	90.9	98.6	(7.7)
Communications Tax	61.7	62.1	(0.4)	-	-	-	61.7	62.1	(0.4)
Real Estate Transfer Tax	45.2	73.5	(28.3)	23.4	36.8	(13.4)	68.6	110.3	(41.7)
Court Fines & Fees	21.1	24.5	(3.4)	-	-	-	21.1	24.5	(3.4)
Securities Revenue	14.7	14.6	0.1	-	-	-	14.7	14.6	0.1
Utility Tax	4.6	5.1	(0.5)	-	-	-	4.6	5.1	(0.5)
Board & Care Revenue	15.3	11.8	3.5	-	-	-	15.3	11.8	3.5
Beer Tax	9.5	9.8	(0.3)	-	-	-	9.5	9.8	(0.3)
Racing Revenue	1.6	2.1	(0.5)	-	-	-	1.6	2.1	(0.5)
Other	43.9	42.6	1.3	-	-	-	43.9	42.6	1.3
Transfers from Lottery	-	-	-	45.8	58.4	(12.6)	45.8	58.4	(12.6)
Transfers from Pari-Mutuel	-	-	-	0.9	1.0	(0.1)	0.9	1.0	(0.1)
Tobacco Settlement	-	-	-	3.6	-	3.6	3.6	-	3.6
Utility Property Tax	-	-	-	15.9	11.2	4.7	15.9	11.2	4.7
State Property Tax	-	-	-	363.7	363.0	0.7	363.7	363.0	0.7
Subtotal	885.3	986.2	(100.9)	675.1	767.7	(92.6)	1,560.4	1,753.9	(193.5)
Net Medicaid Enhancement Rev	101.1	91.4	9.7	-	-	-	101.1	91.4	9.7
Recoveries	14.0	10.9	3.1	-	-	-	14.0	10.9	3.1
Total	\$ 1,000.4	\$ 1,088.5	\$ (88.1)	\$ 675.1	\$ 767.7	\$ (92.6)	\$ 1,675.5	\$ 1,856.2	\$ (180.7)

* The FY 2009 Plan has been adjusted to reflect the anticipated increases in revenue as a result of the changes in the Tobacco Tax and Liquor discounts pursuant to Chapter 296, Laws of 2008 and as detailed in the October FY 2009 Revenue Focus.



Excluding State Property Tax

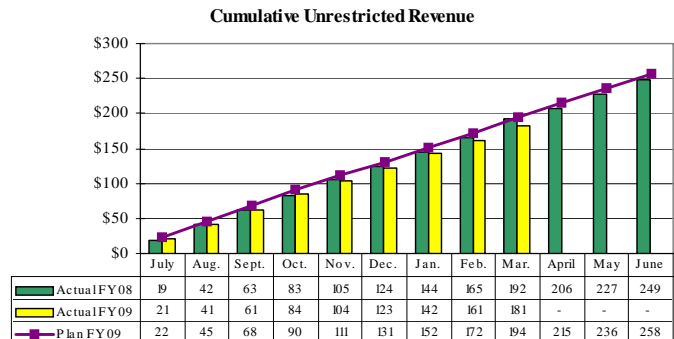
Education Trust Fund Statement of Activity - FY 2009 July 1, 2008 to March 31, 2009	
Description	In Millions
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	675.1
Expenditures	
Education Grants & Adm Costs	(739.2)
Ending Surplus (Deficit)	\$ (64.1)

Fiscal 2009 Adequate Education Grant payments of \$527.4 million are paid 20% September 1, 20% November 1, 30% January 1 and 30% April 1. An additional \$363.7 million of grants are retained locally through the Statewide Property Tax.

Year-to-Date Analysis

Highway Fund

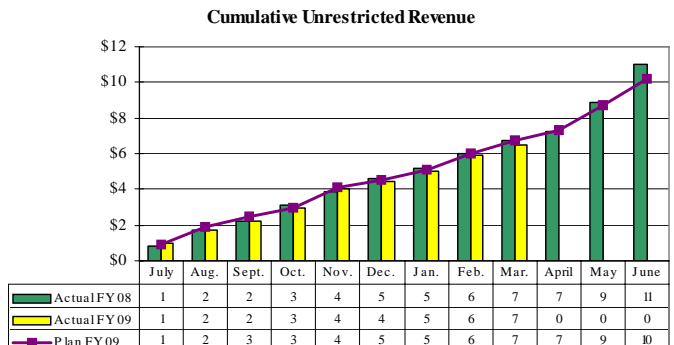
Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 99.5	\$ 105.9	\$ (6.4)
Miscellaneous	9.4	11.3	(1.9)
Motor Vehicle Fees			
MV Registrations	54.0	55.9	(1.9)
MV Operators	9.6	10.2	(0.6)
Inspection Station Fees	2.5	2.7	(0.2)
MV Miscellaneous Fees	3.0	3.4	(0.4)
Certificate of Title	3.3	4.1	(0.8)
Total Fees	72.4	76.3	(3.9)
Total	\$ 181.3	\$ 193.5	\$ (12.2)



Gasoline Road Toll is tracking \$6.4 million below plan year to date. According to Road Toll Operations, fuel consumption is below estimates and is tracking 4.8% below the same period last fiscal year.

Fish & Game Fund

Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 5.3	\$ 5.6	\$ (0.3)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.6	0.3	0.3
Federal Recoveries Indirect Costs	0.5	0.7	(0.2)
Total	\$ 6.5	\$ 6.7	\$ (0.2)



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